

# News from Ed Markey

**United States Congress**

**Massachusetts Seventh District**

**FOR IMMEDIATE RELEASE**

**CONTACT: Tara McGuinness**

**July 21, 2005**

**(202) 225-2836**

## **Rep. Markey Denounces Republican Attempt To Put U.S. Utilities Up For Sale To Foreign Governments**

*GOP Defeats an Amendment To Prevent China From Purchasing American  
Utilities*

**Washington, D.C.** – Despite efforts by House Democrats to prevent foreign governments from buying up U.S. electric utilities or natural gas companies, Republicans defeated an amendment offered by Representative Edward J. Markey (D-MA) (6 – 10) during the Energy Conference today. The amendment would make it illegal for a company owned or controlled by a foreign government to acquire a public utility holding company, any public utility, or any natural gas company.

“I believe in free trade. But I don’t think Uncle Sam should be Uncle Sucker. I don’t think that we should open the door to Chinese companies to buy up American companies when our companies are effectively barred from buying up their companies,” said Representative Markey.

The debate over whether or not foreign countries can purchase American companies has arisen over the proposed acquisition of Unocal by the Chinese National Overseas Oil Company. Just last week, the House of Representatives voted to express opposition to this proposed acquisition. The Public Utility Holding Company Act (PUHCA) currently makes such acquisitions impossible; but House-Senate Energy Act conference is about to repeal PUHCA, leaving no law barring a foreign governmental-owned or controlled company from purchasing U.S. utilities.

“By repealing the Public Utility Holding Company Act, we are opening up wonderful new opportunities for companies that are owned or controlled by the Peoples’ Republic of China or any other foreign government to buy up electric utilities or natural gas companies,” Markey noted.

In recent years some foreign-owned utilities have broken into the U.S. utility market. In the Northeast, the British company National Grid acquired New England Electric and Niagra Mohawk. Scottish Power acquired PacifiCorp. But these mergers have involved investor-owned utilities that weren’t owned or controlled by a foreign government.

“I have no problem with foreign company acquisitions of a U.S. utility when it involves private, investor-owned companies that are not owned or controlled by a foreign government and are located in a country that affords the U.S. the same opportunity to buy up their utilities,” said Rep. Markey. “We know that U.S. companies can’t take over a Chinese oil or gas company unless the companies’ board, it’s shareholders, and a special Committee representing the Chinese Communist-controlled government approves the purchase – which they will never do.

“My amendment would make it unlawful for any public utility holding company, public utility, or natural gas company to be owned or controlled by a foreign government. It defines ownership as the ownership of 10 percent or more of the voting stock of the company, and control to be the exercise of a controlling influence over the company,” Rep. Markey concluded.